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22 MAY 1981

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MEMORANDUM FOR: Director of Logistics

FROM : [Redacted]
Acting Director, NPIC

SUBJECT : Office of Logistics: Staff Study Regarding The
Transfer of Responsibility [Redacted] from
the General Services Administration (GSA) to CIA .

1. NPIC supports the analysis and the conclusions contained in the subject staff study and the recommendations contained in the DDA's draft memorandum to the DCI which is attached to the study. However, in addition to the benefits outlined in the staff study we believe it is important to point out that the most significant operational benefit to NPIC will be the improved maintenance and support to those areas which have caused [Redacted] to be referred to as a "Special Purpose" building. We have a major computer center, a highly sophisticated R&D facility, a photographic laboratory and several other elements that house complex equipment that requires reliable support systems. Proper maintenance of the power system, including the emergency power, the chilled water system and the environmental controls is critical to the accomplishment of our national mission.

2. As indicated in the staff study a need to refurbish the utility system has been recognized. Although, as the study points out, this need is somewhat related to the age of the system the historically poor maintenance is at least equally responsible for the condition of the system. As we move into the mid-eighties additional critical demands will be placed on the utilities systems due to a multi-million dollar upgrade of the computers and the processing equipment. This will make it all the more important for us to control and direct the maintenance of the support systems. Although GSA said they would intend to continue to maintain the facility at its present level of effort (which is inadequate) we question how realistic this is when they would be trying to do it with less resources.

3. Of lesser importance than the critical systems is the advantage of having cleared contractor personnel to work [Redacted] which is an SI/TK facility. Although GSA has some cleared personnel they are reassigned frequently and NPIC is saddled with the significant expense of escorting the majority of their work force.

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4. There are numerous other benefits such as the improvement of the morale of NPIC's employees and the contractor's response to the Center's managerial directions but we believe that the emphasis must be placed on the improved critical support to NPIC's national mission. We would appreciate it if you would include our comments as an addendum to the staff study.



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TRANSFER OF [REDACTED] MAINTENANCE RESPONSIBILITY
FROM GSA TO CIA

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1. We estimate that there will be at least a 20% and possibly a 50% improvement in existing service levels. There are several factors which lead us to this conclusion. First, there is empirical evidence provided by a direct comparison with facilities maintained by the Agency (e.g., [REDACTED]). Second is the matter of accountability and control. A contractor will be accountable to and controlled by NPIC. His award fee will be directly linked to his performance. We have no such leverage at the present time with GSA. A third factor is the actual number of personnel working [REDACTED]. For example, from June 1980 through February 1981 most of the GSA Anacostia Field Office artisans were detailed to the Presidential Inauguration. This and other ad hoc requests to the Anacostia Office make it virtually impossible for GSA to provide a dedicated work force. The fourth factor is the clearance status of GSA personnel. The rapid turnover and transfer of their personnel prevents us from having a cleared force to respond to the Center's needs. Not only does this require NPIC to provide many man-hours of escort personnel, it also prevents proper supervision by uncleared GSA supervisors.

2. Based on GSA's own experience with contracting operations and maintenance to commercial firms, they have indicated that they achieve a minimum of a 20% increase in the service level. A good example of this was evidenced recently when NPIC contracted four jobs to a commercial firm. It took 30 days from the time NPIC contacted the commercial firm until completion of the work. The commercial contractor charged \$431.31 for the four jobs and accomplished the work in 24 man-hours. GSA charges for three of the jobs would have been \$1,072.25 and would have required 33 man-hours. In summary, for this example, GSA would have performed 33% less work but required 37% more man-hours at 148% cost increase.

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3. There are currently a number of existing specific shortfalls in maintenance. GSA has not made any capital improvements [REDACTED] during the past 20 years except in those cases where the Agency has funded all or part of the costs. The latest capital improvement made by GSA was the replacement of a steam absorption chiller with an electric chiller in 1981. NPIC provided \$260,000 for this \$407,000 construction project. All of the major utility systems at NPIC are in need of upgrade and GSA does not have any

STAT approved funding to accomplish this upgrade. Additionally, the roof [] needs to be replaced but GSA does not have this work scheduled until 1985 if funds become available. NPIC presently has 10 work orders on a priority list in support of NPIC operational requirements. The STAT [] fire alarm and emergency lighting system needs repair. Finally, NPIC still has over \$285K tied up at GSA for FY79 and FY80 work orders.

STAT 4. By transferring maintenance responsibility to CIA we would be buying a competent preventive maintenance program for the [] major utility systems, HVAC systems, and operational utility systems. GSA does not perform preventive maintenance work on any of these systems. Consequently, NPIC is faced with GSA making repairs only when a breakdown occurs and a crisis exists. We would also be buying a responsive work force who could provide quick response to relatively straightforward tasks such as pulling cable for secure voice telephone and replacing light bulbs.

5. The proposed 15% increase in manpower and higher wages will contribute directly to the stated improvement in service levels. The 15% increase in manpower is in specific areas where GSA has not been responsive. Management is one major area where we will get over a 200% increase. This will provide the supervision and control that should lead to higher productivity. We will get approximately a 150% increase in the electrical area where current preventive maintenance is deficient and many work orders take a long time to complete. Carpentry maintenance and work order response is similar to the electrical so we plan over a 200% increase in the number of carpenters. Since [] STAT is considered to be a "special purpose" building, we believe the increases are needed to provide proper maintenance to the critical facilities. By paying higher wages, we expect that we will also get a more stable workforce than GSA is presently able to maintain. Quite often GSA personnel are either transferred or quit faster than NPIC can obtain security clearances for them.

6. In sum, we feel the added cost for CIA maintenance vice GSA maintenance is a sound investment. We would expect increases in productivity, greater quick reaction capability, implementation of a preventive maintenance policy for key equipment, and a cleaner work environment for highly specialized equipment.



Washington, D.C. 20505

The Honorable Gerald P. Carmen
Administrator
General Services Administration
Washington, D.C. 20405

Dear Jerry:

STAT For some time the Central Intelligence Agency (CIA) has sought to take over responsibility from the General Services Administration (GSA) for the custodial and facility operation of [redacted] As an integral part of an important national intelligence program, [redacted] demands a high degree of responsive support to ensure reliable facility operations and provide an environment that contributes to an effective motivated work force. Because of the stringent security requirements governing access to our building and GSA's inability to dedicate more resources to our operation, support response has diminished over the years. On the other hand, CIA is in a better position to identify requirements and allocate resources within the building.

STAT The situation has been discussed at length with Mr. Walter V. Kallaur, Regional Administrator, National Capital Region, and his staff. Mr. Kallaur has indicated that if the request of the CIA to assume responsibility for the maintenance and operation of the building is granted, then the CIA should assume responsibility for the protective function as well. However, while we desire to assume the operations and maintenance functions, we would prefer GSA continue to provide a Federal Protective staff for the building on a reimbursable basis. Accordingly, it is requested that a revocable permit be issued authorizing CIA to assume the operations and maintenance responsibility, as described in the enclosure, for the operation [redacted] and that GSA agree to provide current levels of FPO support on a reimbursable basis.

The Honorable Gerald P. Carmen

Harry Fitzwater, our Deputy Director for Administration, and James McDonald, our Director of Logistics, are available to discuss this matter with you and your staff and to work out a mutually acceptable transfer date.

Yours,

William J. Casey

Enclosure